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UNCLAS SECTION 01 OF 02 GUATEMALA 000163

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SUBJECT: LETTER FROM GUATEMALA (4)

REF: (A) GUATEMALA 0047 (B) 04 GUATEMALA 3211 (C)

СПАТЕМАТА 0162

 $\P 1.$  (SBU) The year got off to a rough start for Guatemalan President Oscar Berger.

Campesino Protests Get Ugly

- 12. (SBU) Solola, the province best known for the breathtakingly beautiful Lake Atitlan, became the center of attention when campesinos hijacked some heavy equipment destined for a Canadian gold mine in San Marcos, which borders Mexico. Campesinos in the tiny village of Los Encuentros detained the mining equipment on December 2.
- 13. (SBU) As previewed in an earlier letter (ref B), the protestors at Los Encuentros had refused to allow a bridge over the highway to be dismantled in order to let the over-sized mining equipment be on its way to San Marcos. The well-coached campesinos said they objected to gold mining and would not budge. In the following weeks, the GOG sought to get the mining equipment rolling again, first by suasion, then by force. Things came to a head on January 11, when the protesting campesinos stopped all traffic going through Los Encuentros, and the GOG deployed to Los Encuentros a thousand police backed up by several hundred army troops.
- 14. (SBU) Having had six weeks to rally their forces, the campesinos were pumped up for a confrontation and initially resisted the police intervention. GOG sources claim the police were unarmed and the soldiers, although photographed aiming their weapons, had not been issued bullets. Footage of the confrontation was reminiscent of the August 31 eviction of squatters from the Nueva Linda plantation in Retalhuleu, which left four police and seven squatters dead. This time, one campesino died of a gunshot wound. However, since he was injured about half a mile from the scene of the riot, speculation is that he was killed by a stray bullet. And since some of the campesinos were allegedly armed with AK-47s, the fatal bullet may have been fired by a fellow campesino. An autopsy was performed, but it only confirmed that the victim was killed by a bullet, and a large one at that.

One Clash Leads to Another

15. (SBU) Just several months ago, the issue of gold mining had provoked an acrimonious exchange between Berger and the Catholic Church's Cardinal Quezada, with Berger accusing Quezada of resorting to populist demagoguery in questioning the issuance of licenses for gold mines. Berger and Quezada patched things up in November, but after the police clashed with the demonstrators in Solola, Berger resumed his rhetorical skirmishes with the Church. This time, however Berger criticized Bishop Ramazzini of San Marcos for failing to use his influence to pacify the protestors. Implicit in Berger's grievance was the allegation that Ramazzini had encouraged the protestors and their organizers. Ramazzini has long been a bete noire of Guatemala's landed elite, who have complained to us for several years that the Bishop has used rural radio broadcasts to instigate land invasions. Ramazzini was front and center in photographs of the small crowd of demonstrators who gathered in front of the Congress January 14 to protest government policies.

Just When You Thought It Was Safe

16. (SBU) Almost simultaneously with the problems at Los Encuentros, Guatemala's air traffic controllers walked off the job on January 11, shutting down Guatemala's airports for 20 hours. In this crisis, however, the Berger administration moved quickly and decisively. Berger fired the controllers, and the government brought in foreign air traffic controllers to reopen the Guatemala City airport, but not before the travel of hundreds of airline passengers was disrupted. The traffic controllers bore the brunt of public opprobrium for their precipitous walk-out, and the media reported that the

strikers, as they left the control tower, had flipped off the runway lights just as a jet was trying to land. (See ref C for details.)

First Year's Report Card

- 17. (SBU) While the dust from these two crises was still settling, Berger went to the opening of Congress on January 14 to deliver his State of the Union address. Berger impressed the Ambassador and others in the attendance with the brevity of his address. He focused on his efforts to restore confidence in Guatemala's public institutions, severely deteriorated as the result of his predecessor Portillo's kleptocracy. In this connection, he recalled the new leadership he brought to the corrupt tax collection service (SAT), the prosecutor's office, the comptroller, and the superintendent of banks. He dwelt on his efforts to root out corruption, reduce public spending without cutting social investment, and make government more transparent (particularly with on-line procurement system, Guatecompras). He cited tax reform and military downsizing as the greatest accomplishments of his first year in office. Critics panned Berger's address for dwelling too much on the sorry state of affairs left behind by the Portillo administration and for not stating clearly what he would do to address Guatemala's two biggest problems: crime and unemployment.
- 18. (SBU) In the midst of a rough week putting out fires, Berger may have found a little comfort in some poll findings published by "Prensa Libre" and "El Periodico." Although "Prensa Libre" found that 58% of respondents did not approve his first year's performance, about 52% thought he had the ability and leadership to solve the country's problems. "El Periodico" said Berger was popular with 56%, followed closely by Rigoberta Menchu with 54% and his opponent in the 2003 presidential election, Alvaro Colom, with 48%. On support for political parties, the most popular was Berger's GANA coalition with 19%, followed by 11% for Colom's UNE. HAMILTON